

August 21, 2002

PATIENT CARE SERVICES INFORMATION LETTER

ASSISTED LIVING

1. This letter provides information to the Veterans Health Administration (VHA) facilities regarding Assisted Living (AL). VHA believes that AL is a level of care that should be considered for those veterans that are appropriate for AL. A definition of AL is included under paragraph 6 of this letter. The Department of Veterans Affairs (VA) has authority to provide Assisted Living through the pilot in Veterans Integrated Service Network (VISN) 20 authorized by Public Law (Pub. L.) 106-117, the Millennium Healthcare and Benefits Act. This 3-year pilot, initiated in January 2002, is being evaluated for a report to Congress in October 2004. VA does not have the authority to directly provide or pay dollars for AL beyond the pilot, but does have the authority to enter into agreements with AL facilities for services in which veterans bear the entire cost of housing and other services. However, such agreements should not be perceived as an expansion of the current VA benefit package legally available to veterans.

2. At the present time, VHA has defined AL as “services in a facility that provides room and board and personal care for the health, safety, and welfare of residents.” The combination of housing and personal care services is designed to respond to individuals who need assistance with normal daily activities in a way that promotes maximum independence.

3. AL represents a level of care not provided or coordinated by any existing VHA long-term care (LTC) program. It is a valuable component of care for those veterans who have the resources and are appropriate candidates. Each veteran’s care requirements need to be carefully considered when deciding which care program best meets the veteran’s needs. Caution needs to be exercised in ensuring that veterans receive care in the least restrictive setting where functional, medical, nursing, psychiatric, social and psychosocial needs can be safely met.

4. Currently, there are two common methods by which VA may participate in arranging AL services: entering into agreements for Enhanced Use Lease (EUL) and through a Memorandum of Understanding (MOU). Please note that when pursuing either of these two methods, it should be at least cost neutral if not cost beneficial to VA.

a. **EUL**

(1) The EUL authority allows VA to lease its property and/or facilities to private or other public entities for up to 75 years in exchange for revenue or in kind services. The EUL program’s authority rests with the Secretary of Veterans Affairs and is programmatically managed for VHA by the Capital Asset Management and Planning Service (182C). The program provides a method of leveraging VA’s diverse real estate portfolio and market position to:

(a) Realign under-performing property to produce assets capable of yielding “highest and best” return to veterans, taxpayers, and the Government; and

(b) Implement business goals and objectives.

(2) The purpose of an EUL initiative for an AL facility is to create a public-private partnership that enables VA to consider affordable AL facilities for veterans. The EUL for an AL facility provides for supervised housing at an affordable rate that is structured to address the needs of the community, as well as the specific needs of veterans. EUL initiatives need to meet all of the requirements of EUL and be coordinated through the Capital Asset Management and Planning Service (182C).

b. **MOU**. A MOU may be developed with AL facilities to provide eligible veterans assistance with personal care and instrumental activities of daily living through the Homemaker and Home Health Aide (H/HA) Program.

5. For those veterans who have the resources, are appropriate candidates, and choose to participate in AL via VHA agreements, the following criteria must be met:

a. All agreements including the EUL and MOU for AL must be consistent with the current authority and with CARES. ***NOTE:*** *See Pub. L. 98-160 and Title 38 United States Code (U.S.C.) Part II, Chapter 17, Subchapter III, Section 1730, Community Residential Care.* AL settings are required to provide care within their scope of services as outlined by each state.

b. In each instance, there must be a provision in the agreement requiring a joint oversight committee between the local VA medical center and the lessee and/or service provider.

c. AL facilities must meet the individual State and local requirements for AL or the specific state’s definition for this level of care or service. In states that allow AL to be substituted for nursing home care under a LTC Medicaid waiver, the AL facility must be licensed by the State and must agree to accept Medicaid. ***NOTE:*** *A listing of individual state information pertinent to Assisted Living can be found at www.ncal.org/about/2001-reg-review.pdf.*

d. All AL care must meet the VHA standards for Community Residential Care that are found in Title 38, Part II, Chapter 17, Subchapter III, Section 1730, and M-5, Part III dated April 26, 1991, which includes elements of care coordination, case management, health and safety standards, and inspection requirements.

6. The following descriptions of VHA residential LTC and Nursing Home Care Programs show that although there is some overlap in the services provided in the programs, they represent distinct levels of care.

a. **Community Residential Care (CRC)**

(1) **Definition.** CRC provides health care supervision to eligible veterans not in need of hospital or nursing home care but who, because of medical and/or psychosocial health conditions

as determined through a statement of needed care, are not able to live independently, and have no suitable family or significant others to provide the needed supervision and supportive care.

(2) **Services Provided.** CRC provides board, room, medication assistance, and minimal assistance with Instrumental and Basic Activities of Daily Living (ADLs) in a privately owned residence or group facility. Medical care and nursing care are not provided as a part of the CRC Program. Veterans in CRC facilities are medically stable and do not need frequent or intense skilled nursing or medical care. The facility operator assumes management responsibility for operation of the home and provision of services. The veterans finance the cost of care. VA is authorized (Title 38, Part II, Chapter 17, Subchapter III, Section 1730) to negotiate reasonable costs of care for the veteran, periodically inspect facilities for health and life-safety standard compliance, and ensure that services are appropriate to the level of care required by the veteran. VHA provides case management services for all veterans placed in Community Residential Care.

b. **Domiciliary Care**

(1) **Definition.** Domiciliary Care is a residential rehabilitation program that provides short-term biopsychosocial rehabilitative and long-term biopsychosocial health maintenance care for veterans (including homeless veterans) who require minimal medical care.

(2) **Services Provided.** Domiciliary Care provides care in a semi-structured, homelike residential environment where a positive therapeutic milieu stresses mutual patient support, development of psychosocial and vocational skills, progressive independence and community integration. Each patient's needs are addressed through a comprehensive interdisciplinary assessment and treatment plan and care is coordinated and integrated by an interdisciplinary team. ***NOTE:** Domiciliary patients do not require care for acute or severe medical or mental health problems and are independent in Basic ADLs.*

c. **Nursing Home Care**

(1) **Definition.** Nursing home care includes a range of diagnostic, therapeutic, rehabilitative, and compassionate end-of-life care in an institutional setting staffed by nursing personnel who are delivering services specified by interdisciplinary plans of care developed for the purpose of restoring, optimizing and/or maintaining patients' level of function, personal autonomy, and dignity. This care encompasses a range of intensities of service provision, reflecting the range of patients' needs as determined by multidisciplinary clinical assessments undertaken in a manner consistent with prevailing community practices and standards.

(2) **Services Provided.** Nursing home care provides physician, nursing, rehabilitative, dietetic, pharmaceutical, laboratory, radiological, psychosocial, and spiritual service to residents in facilities that are VA-operated or State-licensed. Residents of nursing homes are dependent in Instrumental and Basic ADLs and require frequent, and often intense, skilled nursing and/or medical interventions.

d. **AL**

(1) **Definition.** AL provides health care and supervision in an institutional, albeit a

residential-type setting, for patients needing assistance with ADLs, provision of medications, and nutritional support. The AL Program goal is to maintain patients in a home-like setting rather than in a nursing home facility. The main components of the program are provided at the expense of the veteran; the cost to VA is for administrative time spent in managing placement.

NOTE: *Providers are encouraged to develop creative programs and partnerships to meet broad assisted living criteria.*

(2) **Services Provided.** AL provides board, room, housekeeping, laundry, social and recreational activities, transportation, medication oversight, and 24-hour assistance with Basic and Instrumental activities of daily living in State-licensed facilities. Medical care and skilled nursing care are not typically provided by AL facilities. Such care is generally provided by a third party and must be arranged by the facility in collaboration with the resident. The resident finances the costs of care. Residents' needs are identified in an individually tailored care plan or service plan developed by facility staff. VHA provides case management services for all veterans placed in an Assisted Living program.

7. REFERENCES

- a. Pub. L. 98-160 and 38 U.S. C. Part II, Chapter 17, Subchapter III, Section 1730, Community Residential Care.
- b. Pub. L. 106-117, Millennium Healthcare and Benefits Act.
- c. Pub. L. 102-86 (38 U. S. C. Sec. 8161, et seq.), Enhanced-Use Lease.
- d. State Regulatory Agencies, for a listing of these, see www.ncal.org/about/2001-reg-review.pdf.
- e. M-5, Part III, Community Residential Care, dated April 26, 1991.
- f. Catalog of Geriatric and Extended Care Continuum of Care Programs and Services, July, 2002.

S/ Frances Neeley for
Thomas V. Holohan, M.D., F.A.C.P.
Chief Patient Care Officer

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FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 8/21/2002